

Non-Consolidated Financial Statement for the Six Months Ended September 30, 2004

November 19, 2004

Trade Name: **Nihon Micro Coating Co., Ltd.**
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Name and Title of Representative: Nobuyoshi Watanabe, President
 Contact: Tokio Tonami, Executive Managing Director Tel: (042)543-4711
 Interim Board of Directors Meeting: November 19, 2004
 Date of Interim Dividend Payment: Not started

Stock Exchange: JQ

1. Summary of Non-Consolidated Interim Financial Result

1. Financial Result for the Six Months Ended September 30, 2004

(1) Operating Result

Amounts to nearest Million Yen

Six months ended	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2004	4,926	(61.7)	418	(10.7)	463	(38.0)
September 30, 2003	3,046	(40.8)	378	(710.7)	336	()
Year ended March 31, 2004	6,759		766		714	

Six months ended	Net Income		Net Income Per Share	
	Millions of Yen	%	Yen	
September 30, 2004	274	(109.2)	52	76
September 30, 2003	131	()	24	75
Year ended March 31, 2004	320		57	25

(Note) 1. Average number of shares outstanding
 During the six months ended September 30, 2004 5,199,987 shares
 During the six months ended September 30, 2003 5,298,927 shares
 During the year ended March 31, 2004 5,255,087 shares

2. Change in Accounting methods: None

3. Percentages for net sales, operating income, ordinary income and net income indicate change from previous year

(2) Dividends

Six months ended	Dividend Per share for Year (Interim)	Dividend Per share for Year (Year-End)
	Yen	Yen
September 30, 2004	0 . 00	
September 30, 2003	0 . 00	
Year ended March 31, 2004		15 . 00

(3) Financial Position

Six months ended	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Asset	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
September 30, 2004	13,342	7,568	56.7	1,460 62
September 30, 2003	12,115	7,404	61.1	1,402 73
Year ended March 31, 2004	12,216	7,452	61.0	1,432 36

(Note) 1. Number of shares outstanding
 As of September 30, 2004 5,182,011 shares
 As of September 30, 2003 5,278,371 shares
 As of March 31, 2004 5,189,031 shares
 2. Number of Treasury Stock
 As of September 30, 2004 166,149 shares
 As of September 30, 2003 69,789 shares
 As of March 31, 2004 159,129 shares

2. Financial Forecasts for the Fiscal Year Ending March 31, 2005

Year ending	Net Sales	Ordinary Income	Net Income	Dividend Per Share for Year	
				Year-End	
March 31, 2004	Millions of Yen	Millions of Yen	Millions of Yen	Yen	Yen
	9,850	983	550	10 00	10 00

(Reference) Expected net income per share: 53.07 Yen

*The Board of Directors has decided at their meeting on July 26, 2004 that we will do 2-for-1 stock splits on November 22, 2004. Net Income Per Share is calculated by using of 10,364,022 shares that is the amount adjusted to reflect stock splits on November 22, 2004.

*Above estimates were based on the available information as of the day of publication of this report, so that actual results may be different from these figures due to the various factors afterwards.

Financial Statement for the Six Months ended September 30, 2004

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen)

Item	Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)		Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)		Summary of Non-Consolidated Balance Sheet for Previous Fiscal Year (From April 1, 2003 to March 31, 2004)	
	Amount	%	Amount	%	Amount	%
(Assets)		%		%		%
Current Assets						
1 Cash and Cash Equivalents	2,362,504		2,626,730		2,176,591	
2 Notes Receivable	76,068		155,568		122,064	
3 Accounts Receivable	1,627,477		2,909,685		2,138,354	
4 Inventories	720,784		876,081		768,939	
5 Others	238,607		194,358		111,308	
6 Doubtful Notes and Accounts	1,420		2,372		1,749	
Total Current Assets	5,024,022	41.5	6,760,052	50.7	5,315,509	43.5
Fixed Assets						
1 Tangible Fixed Assets						
(1) Buildings	3,114,502		2,832,658		2,966,814	
(2) Land	1,450,103		1,451,203		1,451,203	
(3) Others	597,845		496,351		531,882	
Total Tangible Fixed Assets	5,162,451	42.6	4,780,212	35.8	4,949,900	40.5
2 Intangible Fixed Assets						
(1) Others	26,524		30,453		22,632	
Total Intangible Fixed Assets	26,524	0.2	30,453	0.2	22,632	0.2
3 Investments and Other Assets						
(1) Investment in Affiliated Company	864,239		864,239		864,239	
(2) Others	1,059,129		929,558		1,085,117	
(3) Allowance for Doubtful Debts	20,953		21,618		20,549	
Total Investments and Other Assets	1,902,415	15.7	1,772,179	13.3	1,928,807	15.8
Total Fixed Assets	7,091,392	58.5	6,582,845	49.3	6,901,340	56.5
Total Assets	12,115,415	100.0	13,342,897	100.0	12,216,850	100.0

(Unit: Thousand Yen)

Item	Period	Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)		Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)		Summary of Non-Consolidated Balance Sheet for Previous Fiscal Year (From April 1, 2003 to March 31, 2004)	
		Amount	%	Amount	%	Amount	%
			%		%		%
	(Liabilities)						
	Current Liabilities						
1	Accounts Payable	561,674		1,382,632		845,435	
2	Short-term Borrowings	1,350,000		1,850,000		1,350,000	
3	Current Portion of Long-term Borrowings	713,992		530,992		569,992	
4	Income Taxes Payable	2,290		234,000		114,000	
5	Reserve for Employees' Bonuses	84,000		160,000		90,000	
6	Others	249,278		305,577		237,121	
	Total Current Liabilities	2,961,234	24.4	4,463,201	33.5	3,206,548	26.2
	Fixed Liabilities						
1	Long-term Borrowings	1,310,992		840,000		1,097,996	
2	Reserve for Employees' Retirement Benefits	133,898		155,529		144,525	
3	Reserve for Directors' Retirement Benefits	305,155		315,217		315,217	
	Total Fixed Liabilities	1,750,046	14.5	1,310,746	9.8	1,557,739	12.8
	Total Liabilities	4,711,280	38.9	5,773,948	43.3	4,764,288	39.0
	(Shareholders' Equity)						
	Capital Stock	1,998,700	16.5	1,998,700	15.0	1,998,700	16.4
	Capital Surplus						
	Capital Appropriation	2,953,700	24.4	2,953,700	22.1	2,953,700	24.2
	Total Capital Surplus	2,953,700		2,953,700		2,953,700	
	Earned Surplus						
1	Earned Surplus Reserve	60,000		60,000		60,000	
2	Voluntary Reserve	2,300,000		2,300,000		2,300,000	
3	Unappropriated Profits	164,139		513,646		351,599	
	Total Earned Surplus	2,524,139	20.8	2,873,646	21.5	2,711,599	22.2
	Revaluation of Investment Securities	19,375	0.2	38,483	0.3	41,958	0.3
	Treasury Stock	91,780	0.8	295,581	2.2	253,396	2.1
	Total Shareholders' Equity	7,404,134	61.1	7,568,948	56.7	7,452,561	61.0
	Total Liabilities and Shareholders' Equity	12,115,415	100.0	13,342,897	100.0	12,216,850	100.0

(2) Non-Consolidated Statement of Income

(Unit: Thousand Yen)

Item	Period	Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)		Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)		Summary of Non-Consolidated Statement of Income for Previous Fiscal Year (From April 1, 2003 to March 31, 2004)	
		Amount	%	Amount	%	Amount	%
Net Sales		3,046,063	100.0	4,926,300	100.0	6,759,339	100.0
Cost of Sales		1,856,136	60.9	3,472,071	70.5	4,200,741	62.1
Gross Profit		1,189,926	39.1	1,454,228	29.5	2,558,597	37.9
Selling and General Administrative Expenses		811,511	26.7	1,035,283	21.0	1,791,777	26.5
Operating Income		378,415	12.4	418,945	8.5	766,820	11.4
Non-Operating Income		15,109	0.5	68,362	1.4	45,748	0.7
Non-Operating Expenses		57,224	1.8	23,377	0.5	98,029	1.5
Ordinary Income		336,299	11.1	463,930	9.4	714,540	10.6
Extraordinary Gains		1,250	0.0	222	0.0	1,250	0.0
Extraordinary Losses		99,884	3.3	14,927	0.3	171,682	2.6
Net Income Before Tax		237,665	7.8	449,226	9.1	544,107	8.0
Income Taxes-Current		2,290		224,861		114,951	
Income Taxes-Deferred		104,251	3.5	49,991	3.5	108,327	3.3
Net Income		131,123	4.3	274,356	5.6	320,828	4.7
Retained Earnings at the Beginning of the Period		33,015		253,763		33,015	
Loss on Sale of Treasury Stock				14,473		2,244	
Unappropriated Profits		164,139		513,646		351,599	